

TRANSPORTATION

Jan. 31, 2002

More traffic, less money

Two decades of neglect have created a transportation crisis that threatens Washington's economy and quality of life. Traffic congestion robs our state's economy of more than \$2 billion in lost productivity each year, or \$930 per person.

Since 1980 our population increased 43 percent, the number of jobs increased 58 percent and vehicle traffic jumped 88 percent. But our state's investment in transportation – as a percentage of personal income – actually fell by 50 percent.

The statewide gas tax is Washington's largest revenue source for transportation projects. It hasn't been increased since 1991, so its purchasing power was lost to inflation long ago. At 23 cents a gallon, our gas tax ranks 22nd in the nation.

Our second-largest source of transportation revenue – the Motor Vehicle Excise Tax – was replaced with a \$30 fee when voters approved Initiative 695 in 1999. That eliminated more than \$1 billion from the 2001-2003 transportation budget.

In November 2000, the Governor's Blue Ribbon Commission on Transportation recommended setting benchmarks for success and measuring progress, finding efficiencies in our transportation network, empowering local areas to plan and fund their own projects, and raising new revenue over the next 20 years.

Efficiencies first

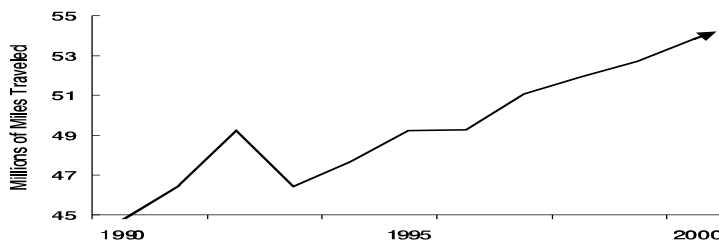
The initial roadblock to action on

a statewide transportation plan was removed when the Legislature approved **House Bill 2304**, which will make it cheaper and easier to build road construction projects. It passed the Senate unanimously and by a 67-28 vote in the House, and was signed into law by the governor Jan. 30.

Based on the Blue Ribbon Commission's recommendations, the comprehensive efficiency bill includes provisions from several

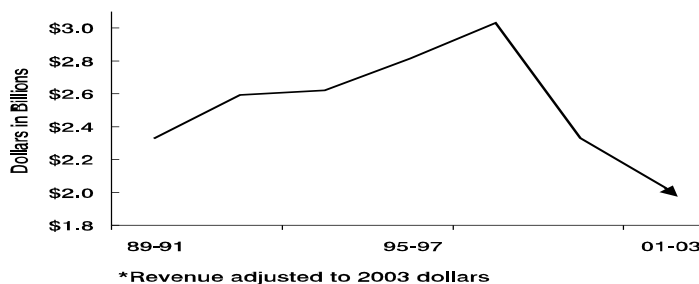
More Traffic...

Vehicle Miles Traveled per Year in Washington



Less Money...

Major Sources of State Transportation Revenue*



Senate efficiency bills passed last year and again earlier this year. The four-part bill:

- sets benchmarks for Washington's transportation system, and directs the state Transportation Commission to develop performance measures to ensure a timely, efficient and cost-effective system;
- authorizes the Department of Transportation to contract out construction engineering work to the private sector when the work generated by a new revenue package is too much for the state's engineers to accomplish;
- improves the state's prevailing wage process with better enforcement, better data collection and more efficiency, and improves apprenticeship opportunities to help build a skilled technical work force; and
- requires cost-effective state and local transportation planning and maintenance work, to ensure that the current system – worth more than \$100 billion – is well maintained and lasts longer.

Regional 'mega' projects

Any long-term revenue plan will include a statewide and a regional component. The Senate's regional component – **Senate Bill 6140** – passed the Senate by a 31-14 vote, but the final bill will likely be a compromise between the Senate

and House.

The bill allows King, Pierce and Snohomish counties to form a regional transportation investment district and vote to raise their taxes for "mega" road projects such as Interstates 5 and 405 and state Route 520. The three counties could use a combination of regional taxes and fees to raise as much as \$5.1 billion during the next 10 years.

Voters would decide where and how to invest their money, which revenues to raise and how much, and whether the taxes raised will end once the projects are paid for.

SB 6140 would become "null and void" if no new statewide revenue is approved by Jan. 1, 2003.

Statewide investment

Still under consideration is a statewide funding plan. The governor's current proposal – which is similar to the plan negotiated by Senate and House transportation leaders last July – would raise \$8.5

billion during the next 10 years for new highway lanes, bridges and other improvements. The plan includes the following, which would take effect July 1:

- a 3-cent increase in the statewide gas tax, followed by an additional 3 cents in 2003 and 2004;
- a 1 percent sales tax increase on new and used vehicles, followed by a 1.5 percent increase in 2003;
- a 20 percent gross-weight surcharge for trucks, tractors, buses and motor homes.

Under this proposal, more than 20,000 new direct and indirect jobs would be sustained over 10 years. It is projected to cost Washington families approximately \$84 a year (see chart).

This plan is not a panacea for Washington's transportation crisis, but will be an effective down payment that will ease congestion and put people to work. It is a good starting point for negotiations.

